New South Wales

DIGEST OF CURRENT STATISTICS

CONTENTS

SUMMARY.

1. RE-EMPLOYMENT. To the end of June 166,000 men had been discharged from the armed forces in New South Wales, or about three-quarters of the total in the forces at the end of the war. A high proportion of these might be expected to become employers or workers on their own account, judging from the high relative decrease in these classes during the war, and from the stated intentions of the men at time of discharge. The actual increase in the wage and salary earning group (other than rural) from August to April inclusive was 50,000. The relative increase was greatest in commercial and service industries, and least in factories and mines.

The number of females discharged from the services between August and June inclusive, was 11,500, which was also about three-quarters of the August strength. There was a simultaneous decrease (to the end of April) of 6,000 in the number of females in employment, and acute shortages of female labour have been experienced, notably in textiles and printing. However, the number of female wage and salary earners was still 46 per cent above the pre-war level, and was increasing in many industries.

2. PRODUCTION. The main limit to industrial production is the coal supply, which although at the same level as at this period of 1945 is still below pre-war levels and far below what is needed under conditions of full employment. The deficiency in coal production is retarding expansion of productive industry because of uncertainty in outlook, is curtailing rail transport of essential raw materials and is directly affecting iron and steel output. Shortages of labour and material are still retarding housebuilding, though there was an improvement in Sydney and suburbs in May when for the first time the number of houses completed in the month reached the pre-war average. Employment in clothing factories has risen by 15 per cent since last July, but clothing output is limited by shortages in textile piece goods. Employment in textile mills has not risen, and imports of textiles have not yet revived in quantity. Stocks of clothing and piece-goods in the large Sydney stores in May 1946 were 22 per cent lower than in May 1945.

3. FINANCIAL POSITION. In comparison with the experience of some other countries, the price-structure so far has not been seriously affected by the pressure of accumulated consumers' demand. However, the price ceiling and wage pegging have been weakened in some spheres by cessation of certain war-time controls. During recent months, in addition, trends in retail trade, savings bank deposits and the note issue have shown that some of the community are spending heavily at the expense of accumulated savings. In the trading banks a parallel expension of advances to customers has occurred, presumably in response to revived demand for business loans. As the trading banks are still required to maintain substantial amounts in special deposit with the Commonwealth Bank, the result has been a considerable drop in the liquidity of trading banks.

PART 1 EMPLOYMENT, BUILDING AND NON-RURAL INDUSTRIES.

EMPLOYMENT. Contrary to expectations, the returns for April showed a new hiatus in absorption of ex-servicemen into employment. The number of wage and salary earners in employment in New South Wales (other than rural and private domestic) increased during April by only 3000, compared with 13,000 during March and 22,000 during February:-

WAGE AND SALARY EARNERS IN EMPLOYMENT,Ø (NEW SOUTH WALES).
(In thousands)

At end of-	1939 July	1945 July	1946- Jan.	Feb.	Mar.	Apr.	Change, July 1945 to April 1946. No.	%
Males	530	534	549	569	580	584	+50	+ 9
Females	168	252	243	245	247	246	- 6	- 2
Total	698	786	792	814	827	830	+44	+ 6

(+) Denotes increase, (-) Denotes decrease.
Ø Excluding rural workers, private domestic servants and defence forces.

Employment in Industries. In transport and communication and in mining, there was a fall in employment during April. The following table shows the movements of employment in the main industries during and since the war. The biggest proportional increases in employment since the war have occurred in the three groups retail trade, other commerce and finance, and professional and personal services (excluding Government Departments). Employment in retail trade has risen almost to pre-war level, while that of the other two have far surpassed it. The only industry in which employment is still below the pre-war level and not increasing is mining and quarrying.

EMPLOYMENT BY MAIN INDUSTRIAL CLASSES, NEW SOUTH WALES.
(In thousands)

At end of -	1939 July	1945 July	1946- Jan.	Feb.	Mar.	Apr.	Change, July 1945 to April 1946. No.	%
Mining & quarrying	25.3	24.8	23.9	25.1	25.1	24.4	-.4	-2
Factories -								
Aircraft & Govt. Munitions .	.6	20.2	7.5	7.7	7.6	6.7	-13.5	-68
Other factories	217.4	280.8	283.2	294.9	299.8	301.8	+21.0	+ 8
Total factories	218.0	301.0	290.7	302.6	307.4	308.5	+ 7.5	+ 3
Transport & communication . .	88.9	102.6	104.3	107.3	107.9	107.5	+ 4.9	+ 5
Retail Trade.	79.9	69.1	75.7	77.0	78.6	79.2	+10.1	+14
Other commerce & finance. . .	59.3	56.5	62.8	64.1	66.0	66.2	+ 9.7	+17
Professional & personal services	107.6	116.1	121.8	124.1	126.3	127.7	+11.8	+10

(+) Denotes increase, (-) Denotes decrease.

Re-Employment of Ex-Servicemen. Comparison of the trends shown above with the numbers of discharged men intending to seek employment in the various industries shows that there is still a considerable lag in placement in mining and manufacturing, and that the distributive and service industries have been absorbing labour very rapidly. The number of men from New South Wales in the armed forces at the end of the war was about 224,000, of whom 144,000 had been discharged by the end of April. Of those 82,000 stated their intention of becoming wage and salary earners in non-rural industries. The actual increase in these industries since August 1945 has been 50,000. Even if many of the 82,000 are still on pre-employment leave, the fact remains that the rates of absorption in different industries show great variation:-

EMPLOYMENT OF MALES, NEW SOUTH WALES.
(In thousands)

Industry	August 1945 to April 1946 (inclusive) — Discharged men who stated intention of becoming wage and salary earners	August 1945 to April 1946 (inclusive) — Actual increase in male employment
Mining and quarrying	.9	(-) .4
Manufacturing	30.6	13.3
Transport and communication . . .	11.1	6.3
Commerce and finance, including retail	21.4	18.6
Public administration, professional and personal services . . .	10.5 (a)	8.3

(-) Denotes decrease, (a) Includes Government departments.

It is possible that some of the disparity is due to a comparatively high rate of retirement of older workers in factories and mines since the war ended. There are no statistics to verify this, and in any case it still leaves to be explained the lagging movement in total employment in those industries where production is most needed at the moment, viz. factories and mines.

Employment in Factories. The following table shows the movements in total employment in factory classes during and since the war. Figures for recent months have been adjusted to make them comparable with those quoted above, and with the statistical classes of factories as enumerated in annual production returns.

TOTAL EMPLOYMENT IN FACTORY CLASSES, NEW SOUTH WALES.
(In thousands)

At end of -	1939 July	1945 June	1946 - Jan. a	Feb. a	Mar. a	Apr. a	Change, June '45 to April '46 No.	%
Bricks, cement, glass etc.	12.3	9.9	10.9	12.0	12.1	12.2	+2.3	+23
Metal trades, including vehicles:								
-Aircraft, govt. munitions	.6	21.8	7.5	7.7	7.6	6.7	-15.1	-69
-Other metal trades	80.7	123.7	119.6	123.8	124.9	127.3	+3.6	+ 3
-Total metal trades	81.3	145.5	127.1	131.5	132.5	134.0	-11.5	- 8
Textiles	14.7	18.3	17.2	17.6	17.9	18.3	-	-
Clothing	29.1	33.2	34.9	35.9	37.0	37.2	+5.0	+15
Food, drink & tobacco	26.4	31.6	33.2	34.6	35.1	33.2	+1.6	+ 5
Sawmills, woodworking, furniture trades	14.4	16.0	16.5	17.2	17.6	17.6	+1.6	+10
Printing, paper etc.	16.4	15.6	16.4	17.3	17.9	18.1	+2.5	+16
Chemicals, paints, oils etc.	8.0	12.3	13.2	13.8	13.9	14.1	+1.8	+15
Other factories, inc. heat, light & power	15.5	19.3	21.3	22.7	23.4	22.8	+3.5	+18
Total factories	218.1	301.7	290.7	302.6	307.4	308.5	+6.8	+ 3

(a) Subject to revision, (+) Denotes increase, (-) Denotes decrease.

The table shows a fairly general upward movement, with the exception of three groups. The food, drink and tobacco group is affected by the seasonal decline in the fruit-preserving industry. The metal trades show the effect of the cessation of war production and the current shortage of coal and steel. The textiles industry is handicapped by shortage of cotton and rayon raw materials, and of labour, especially female labour. The following table shows that the textile industry has suffered a greater relative loss of female labour since the war ended than any other except the metal trades. The printing and paper trades have also lost a good deal of female labour, and are the only class in which female employment has fallen almost to pre-war levels.

Employment of Females.

FEMALES EMPLOYED IN FACTORIES, NEW SOUTH WALES.
(In thousands)

At end of -	1939 July	1945 June	1946- Jan. a	Feb. a	Mar. a	Apr. a	Change, June '45 to April '46 No.	%
Bricks, cement, glass etc.	.5	.8	.7	.7	.8	.8	-	-
Metal trades including vehicles etc.	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
-Aircraft, govt. munitions	-	6.0	1.2	1.2	1.1	.9	-5.1	-85
-Other metal trades	4.8	15.3	13.2	12.9	12.6	13.2	-2.1	-14
-Total metal trades	4.8	21.3	14.4	14.1	13.7	14.1	-7.2	-34
Textiles	9.2	11.5	9.8	9.9	10.0	10.1	-1.4	-12
Clothing	22.2	25.9	26.7	27.4	28.2	28.2	+2.3	+ 9
Food, drink & tobacco	9.3	11.2	11.0	11.5	12.0	10.8	- .4	- 4
Sawmills, woodworking, furniture trades	1.6	1.6	1.6	1.6	1.6	1.7	+ .1	+ 6
Printing, paper etc.	5.4	5.7	5.5	5.6	5.7	5.5	- .2	- 4
Chemicals, paints, oils etc.	2.7	4.0	4.1	4.2	4.3	4.3	+ .3	+ 8
Other factories, including heat, light & power	3.6	4.9	4.7	4.9	4.8	5.1	+ .2	+ 4
Total factories	59.3	86.9	78.5	79.9	81.3	80.6	-6.3	- 7

a. Subject to revision, (+) Denotes increase, (-) decrease.

Despite the movement of females out of some industries since the war ended, there were still 78,000 more females in employment in all industries in April than in July, 1939, an increase of 46 per cent. Except for certain factories and the transport industries, women are tending to remain in employment, even in occupations such as commerce and finance and professional and personal services, in which the war-time increase in female employment was most marked. These comparisons are shown below:-

FEMALES EMPLOYED IN MAIN INDUSTRIES, NEW SOUTH WALES.
(In thousands)

Industrial class	1939 July	1945 July	1946- Jan.	Feb.	Mar.	Apr.	Change, July 1945 to April 1946 No.	%
Factories - Aircraft and Govt. munitions	-	5.4	1.2	1.2	1.1	.9	-4.5	-83
-Other factories	59.3	81.0	77.3	78.7	80.2	79.7	-1.3	- 2
Total factories	59.3	86.4	78.5	79.9	81.3	80.6	-5.8	- 7
Transport and communication	5.3	14.6	14.0	13.8	13.4	13.2	-1.4	-10
Retail trade	32.5	39.2	40.5	40.7	41.0	40.6	+1.4	+ 3
Other commerce and finance	10.2	20.6	20.6	20.5	20.5	20.4	-0.2	- 1
Professional and personal services	47.7	68.5	69.5	70.6	71.4	71.8	+3.3	+ 5

\+ Denotes increase, - Denotes decrease.

GRADE OF OCCUPATION, 1921 to 1945. The results of the Occupation Survey of June 1945 enable comparisons to be made covering all breadwinners, that is, including employers and self-employers as well as wage-earners. These show that net male enlistments from New South Wales after six years of war were 229,000 although this was an increase of only 58,000 male breadwinners in that period. There was only a slight decrease in the number of male wage and salary-earners during the war (entirely due to the fall in rural employment), but there were substantial decreases in number of employers and workers on own account. This group fell to the 1921 level. For this reason the post-war rate of increase among employers and workers on own account is likely to be greater for a time than that of wage and salary earners.

MALES: GRADE OF OCCUPATION, NEW SOUTH WALES.
(In thousands)

	April 1921	June 1933	July 1939	July 1943	June 1945	Changes during- 12 years 1921-33	6 years 1933-39	6 years 1939-45
Wage and salary earners	461	444	596	563	577	-17	+152	-19
Unpaid rural workers	10	14	17	12	12	+ 4	+ 3	- 5
Employers and self-employed	151	176	199	129	152	+25	+ 23	-47
Unemployed	54	190	112	8	18	+146	- 78	-94
Net enlistments	-	-	6	257	229	-	+ 6	+223
Total breadwinners	676	824	930	969	988	+148	+106	+ 58
Non-breadwinners 14 & over	72	146	131	135	140	+ 74	- 15	+ 9
Total population 14 & over	748	970	1061	1104	1128	4222	+ 91	+ 67

(+) Denotes increase, (-) decrease.

The table for females brings out some important points, The number of wage and salary earners increased during the six years of war by slightly less than during the previous six years. In the latter case the movement was due to falling unemployment as well as the increase in the breadwinner group, but during the war years it was mainly due to the increase in the breadwinner group.

As was pointed out above, during the ten months since June, 1945, this increase in the main has been held, except in the transport industries and certain factory classes.

FEMALES; GRADE OF OCCUPATION, NEW SOUTH WALES.
(In thousands)

	April 1921	June 1933	July 1939	July 1943	June 1945	Changes during 12 years 1921-33	6 years 1933-39	6 years 1939-45
Wage and salary earners (a)	132	160	221	277	274	+28	+61	+53
Employers and self-employed	21	25	28	16	21	+ 4	+ 3	- 7
Unemployed	8	33	12	2	8	+25	-21	- 4
Net enlistments	-	-	-	16	16	-	-	+16
Total breadwinners	161	218	261	311	319	+57	+43	+58
Non-breadwinners 14 & over	552	727	787	790	811	+175	+60	+24
Total population 14 & over	713	945	1048	1101	1130	+232	+103	+82

(+) Denotes increase, (-) decrease, (a) Includes unpaid rural workers.

NEW FACTORIES REGISTERED, N.S.W. From the records of new factories registered each month, it is apparent that the trend in employment in new factories is towards the clothing, furniture and woodworking trades. These figures do not take into account new products being made by existing factories.

CONTEMPLATED EMPLOYMENT IN NEW FACTORIES REGISTERED IN N.S.W. IN TWELVE MONTHS ENDED JUNE, 1946.

	Metropolis	Balance of State	Total N.S.W.	Percentage of mean employment in existing factories in 1944-45.
	No.	No.	No.	%
Bricks, cement, glass etc.	98	78	176	1.8
Metal trades,including vehicles	1928	656	2584	1.7
Textiles	198	82	280	1.5
Clothing	1638	1009	2647	7.6
Food, drink & tobacco	188	77	265	.8
Sawmills, woodworking etc.	296	223	519	4.0
Furniture trades	206	54	260	6.5
Printing, paper etc.	123	32	155	1.0
Chemicals, paints, oils, etc.	162	27	189	1.6
Other factories, including heat, light & power	541	110	651	3.1
Total Factories	5378	2348	7726	2.5

INDUSTRIAL DISPUTES. Time lost through industrial disputes increased in May, mainly owing to the disputes in the meat industry and on the waterfront, but was relatively small in June:-

NUMBER OF MAN-WORKING DAYS LOST THROUGH INDUSTRIAL DISPUTES, N.S.W.
(In thousands)

	Monthly Average 1937-39	Monthly Average 1945	1946- Jan.	Feb.	Mar.	Apr.	May	June
Coal & Shale Mining	39	53	10	11	38	22	38	18
Other Industries	15	104	20	7	44	40	51	7
Total	54	157	30	18	82	62	89	25

GAS AND ELECTRICITY. The index of consumption of gas and electricity in Sydney was about 50 per cent above the pre-war average when war ended. After restrictions in December and January had been relaxed it rose rapidly and in April and May was 60 per cent above the pre-war average.

INDEX OF CONSUMPTION OF GAS AND ELECTRICITY - SYDNEY.
Three years ended June 1939=100. Seasonally adjusted.

1945- July	Aug.	Sept.	Dec.	1946- Jan.	Feb.	Mar.	Apr.	May
150	144	149	101	138	151	153	160	160

COAL PRODUCTION. In comparison with the four months to April, production in May and the first part of June showed some improvement, though it remained below the mid-1945 levels. Below are shown, for purposes of comparison, average weekly output and time lost through industrial disputes:-

COAL INDUSTRY, NEW SOUTH WALES, PRODUCTION AND INDUSTRIAL DISPUTES.

Three years 1937 to 1939	Year 1945 1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year 1946 1st Qtr.	Apr.	May	June
-Output of coal, weekly averages, thousands of tons								
200	198	206	250	138	194	183	208	213(a)
Working days lost through industrial disputes, monthly, thousands of man days								
39	36	46	38	104	20	22	38	18

(a) First half of month.

IRON AND STEEL. Production of ingot steel recovered slightly in May and reached the average level of the last year of the war. Pig-iron production in New South Wales has receded since the re-opening of Whyalla (S.A.) blast furnaces in April, but even with Whyalla output included the index for May was not up to the 1938-39 level. Shortage of coal affects the steel industry, in the first instance, through the output of pig-iron.

IRON AND STEEL, EMPLOYMENT AND PRODUCTION, N.S.W.

	1938-39	1944-45	1945 Aug.	1946- Feb.	Mar.	Apr.	May
Employment (thous.) End of period	10.5	11.2	11.0	10.9	11.0	11.3	
Production index (Average, three years ended June 1939 = 1000)							
Pig iron	1124	1134	1247	1009	1036	968(a)	894(b)
Ingot steel	1032	1126	1167	1208	1063	1087(a)	1125(b)

(a) Revised. (b) Subject to revision.

Note: Pig-iron index inclusive of Whyalla was 1153 in April and 1098 in May.

BUILDING PROJECTED, SYDNEY AND SUBURBS. There was a considerable increase in the value of building proposed to be carried out, both private and Government, in Sydney and suburbs in May. Total value of projects was nearly £2 million. The following comparisons may be made with pre-war figures. Private permits before the war usually resulted in 88 per cent completed buildings, while at present the proportion is very much lower.

VALUE OF BUILDING PROJECTS, SYDNEY AND SUBURBS.
(In £ thousands)

	1938-39	First half 1945	Second half 1945	1946				
	Monthly averages			Jan.	Feb.	Mar.	Apr.	May
Private (permits)	1112	209	670	839	1092	1377	1128	1547
Government	112(a)	238	366	309	219	377	199	449
Total	(b)	447	1036	1148	1311	1754	1327	1996

(a) Second half, 1939, earliest available. (b) Not available.

The bulk of the increase occurred in housing projects, but private building projects other than housing are also increasing in value, as the following table shows:-

VALUE OF BUILDING PROJECTS, DWELLINGS AND OTHER, SYDNEY AND SUBURBS
(In £ thousands)

Class of Building	1938-39	First half 1945	Second half 1945	1946				
	Monthly Averages			Jan.	Feb.	Mar.	Apr.	May
Dwellings	823	192	797	862	1012	1261	1090	1564
Other-Private	289	083	105	209	273	343	196	357
Government	112(a)	172	134	75	25	150	41	75
Total	(b)	447	1036	1146	1310	1754	1327	1996

(a) Second half 1939, earliest available. (b) Not available.

HOUSES PROJECTED AND COMPLETED, SYDNEY AND SUBURBS. In comparison with earlier months of the year a considerable increase was shown in private and Government housing activity in May, both as to numbers commenced and numbers completed. For the first time the month's completions have exceeded the pre-war rate. The number of Government houses completed was 245, compared with a previous monthly maximum of 85, both figures exclusive of Army hut conversions and flats. This figure, being considerably greater than the rate of commencements in earlier months, is unlikely to be sustained. These movements are summarised in the following table:-

NUMBER OF NEW HOUSES, PRIVATE AND GOVERNMENT, SYDNEY AND SUBURBS.

	1939	First half 1945	Second half '45	1946				
	Monthly averages			Jan.	Feb.	Mar.	Apr.	May
Private permits issued	484	134	509	494	638	789	700	856
Private houses commenced	(a)	(a)	275	273	381	362	259	462
Government houses commenced(b)	-		[illegible]	207	177	151	127	299
Total commenced	(a)	(a)	475	480	558	513	386	761
Private houses completed	465	(a)	(a)	119	166	219	180	233
Government houses completed(c)	-	(a)	(a)	23	65	85	65	245
Total completed	465	71	175	142	231	304	245	478

(a) Not available (b) Excluding 31 flat units and 243 dwellings in converted military huts, to end of May. (c) Excluding 207 dwellings in converted military huts, to end of May.

Conversion of the Royal Naval barracks near Warwick Farm, which was acquired by the Housing Commission in June, will provide an estimated 1,000 temporary house units.

BUILDING MATERIALS. Output of bricks increased in May but is still at little more than half the pre-war level. Production of tiles has almost regained the pre-war figure, but the critical shortage in roofing materials at present is in corrugated iron. A further 80 persons were employed in brick and tile works in May, bringing total employment to 2,080, compared with the pre-war average of 3,900. Timber output has maintained its war-time increase fairly well, but supplies at building sites are restricted by difficulties of transport from country mills, which will be intensified as a result of rationing of railway trucks operative from July 4.

OUTPUT OF CERTAIN BUILDING MATERIALS, N.S.W.

	1939 Monthly Average	1945 Aug.	1945 Nov.	1946- Jan.	Feb.	Mar.	Apr.	May.
Bricks (million)	31.6	8.3	10.9	9.6	13.1	14.1	12.9	18.6
Roofing tiles (million)	1.7	.5	1.0	.8	1.3	1.5	1.3	1.6
Timber (local sawn) (million super feet)	15.0	18.4	20.7	16.5	19.0	20.0	18.1	(a)

(a) Not yet available.

NEW SOUTH WALES RAILWAYS. In May there was a sharp increase in tonnage of goods carried, which was 6 per cent higher than in May 1945, after several months of lower tonnages. Passenger journeys were also considerably higher than a year before, as has been the case since the war ended. Unlike the trams and buses, the railways have kept working expenses fairly constant in the last twelve months. The drop in revenue has been due to the decline in freight tonnages. The 10 per cent reduction in the number of trucks introduced on 4th July owing to shortage of locomotive coal will cause a further fall in tonnages carried. As announced, the restrictions will apply chiefly to the transport of steel, timber, iron ore, and concentrates, sand, gravel, wool, superphosphates and general merchandise. Preferential treatment is to be given to coal, perishable goods, live stock, food, and commodities intended for urgent shipment at ports.

N.S.W. GOVERNMENT RAILWAYS
(Millions)

Year	Month of May			Eleven Months ended May			
	Passenger Journeys	Goods & Livestock	Gross Earnings	Passenger Journeys	Goods & Livestock	Gross Earnings	Net Earnings∅
	No.	Tons	£	No.	Tons	£	£
1939	15.6	1.48	1.76	171.9	14.0	17.6	4.83
1943	21.1	1.58	2.92	216.9	18.0	31.3	8.42
1944	22.0	1.68	2.85	229.5	17.9	31.7	7.56
1945	21.6	1.52	2.75	232.5	17.1	29.1	6.80
1946	23.5	1.63	2.78	245.7	15.1	28.7	6.21

MOTOR VEHICLES. Steady increase is shown in the number of new motor lorries and vans registered each month, which has almost reached pre-war levels. The number of new motor cars registered is also increasing rapidly, but remains relatively small:-

NUMBER OF NEW MOTOR VEHICLES REGISTERED, N.S.W.

	1939 May	1946- Jan.	Feb.	Mar.	Apr.	May
Cars (a)	1917	16	18	43	80	108
Lorries & Vans	691	160	224	428	498	604
Total, cars, lorries & vans	2608	176	242	471	578	812

(a) Includes taxi-cabs and motor-buses.

Owing to the civil registration of ex-service vehicles which have passed into private hands, the increase in the number of vehicles on the register is considerably more rapid than the number of new vehicles registered, especially in the case of lorries and vans, where the pre-war rate of increase has been greatly exceeded, and the pre-war register total passed.

NUMBER OF REGISTERED MOTOR VEHICLES, N.S.W.
(thousands)

	At end of May		Increase in eleven months ended May.		
	1939	1946	1939	1945	1946
Cars	215.5	190.8	+10.9	+4.4	+5.4
Lorries & Vans	76.6	95.8	+ 3.7	+4.6	+12.8
Total vehicles (a)	326.9	323.0	+16.4	+11.7	+24.7

(a) Includes also trailers, motor cycles, buses, cabs etc.

No definite date for the termination of petrol rationing has been announced. The operation of the marketing pool has been extended until September 30th next, when it will be again reviewed. The ration scale was increased by about 33% on July 1st, the third increase since the war ended, and a further increase will take effect from August 1st. Petrol sales in the New South Wales pool area in the twelve months ending April were as follows:-

N.S.W. POOL AREA, SALES OF MOTOR SPIRIT.
Four months ended-

	August 1945	December 1945	April 1946
	(in millions of gallons)		
Services	6.9	5.1	2.4
Other Government	1.6	1.7	1.7
Civil	20.3	26.4	29.9
Total	28.8	33.2	34.0

PART II FINANCE AND TRADE.

NINE TRADING BANKS, AUSTRALIA. The May banking returns show a further small rise in advances to customers and an appreciable fall in total of Treasury bills and cash held. At the same time customers' deposits showed a slight seasonal fall. The net result was that the liquidity of the nine trading banks, as expressed in the ratio of cash and Treasury bills to total deposits, fell to the low level of 13.2 per cent in May 1946, compared with 15.0 per cent in May 1945 and 18.8 per cent in May 1944. These movements are indicated in the following comparisons.

NINE TRADING BANKS - BUSINESS WITHIN AUSTRALIA.

Date	Deposits Lodged by Customers	Investments		Advances to Customers	Cash and Quasi-Cash			Ratio, Cash and Treasury bills to deposits
		Special deposits with Commonwealth Bank	Govt. and Municipal Securities		Treasury Bills	Cash	Cash & Treasury Bills	
	---	(£	millions)				---	Per cent.
June Qtr.1939	318.0	-	22.1	291.7	23.9	28.6	52.5	16.5
May 1944	536.5	180.2	83.8	225.2	63.7	37.1	100.8	18.8
May 1945	587.5	241.8	108.2	206.3	51.8	36.1	87.9	15.0
Change, May 1944 to May 1945	+ 51.0	+ 61.6	+ 24.4	- 18.9	-11.9	- 1.0	12.9	
May 1946	630.8	259.0	123.1	220.4	48.1	35.3	83.4	13.2
Change, May 1945 to May 1946	+43.3	+17.2	+14.9	+14.1	-3.7	- .8	-4.5	

\+ Denotes increase and - Denotes decrease

The ratio of cash and Treasury bills to total deposits shown in the last column (with the addition of London funds, not at present published) is still one of the main determinants of trading bank lending policy, though it is itself influenced by central bank policy, as it is affected by the amounts the trading banks are required to hold as special deposits with the Commonwealth Bank. Thus Central Bank control sets a limit to the expansion of trading bank advances to customers.

Advances made to customers by the nine trading banks fell almost continuously during the war years until early 1945, when the effects of the dry season were felt. The increase in advances in recent months is probably associated with rising demand for business loans.

One major change brought about by war-time finance was that whereas in 1939 advances to customers bore a ratio of 92 per cent to customers' deposits, the corresponding ratio is now only 35 per cent. Special deposits required to be lodged by trading banks with Commonwealth Bank are in ratio of 20 per cent to customers' deposits in trading banks, and Government securities held by trading banks 41 per cent of such deposits.

LONDON FUNDS. For the first time since 1939, the Commonwealth Bank has published the amounts of gold and net balances held abroad by Australian banks. The figures are as follows -(up to 30th June, 1945)

GOLD AND NET BALANCES HELD ABROAD, AUSTRALIAN BANKS
(£A million) At 30th June -

1939	1940	1941	1942	1943	1944	1945
55.7	71.7	89.5	69.1	86.8	182.5	208.3

The exceptionally high figure of £208.3 million was reached as a result of wartime trading and military transactions, and forms part of the £stg 3000 million of short term liabilities owed by Britain mainly to the Dominions, India, Burma, the Middle East and other sterling group countries as a result of the war. Under the financial agreement with the United States, Britain has undertaken to remove exchange restrictions and restore the free

convertibility of sterling within a year. This will mean the end of the sterling group as an exchange pool, and Britain is negotiating with the countries holding these large sterling balances to ensure that the restoration of their convertibility with dollars does not lead to sudden and large withdrawals. On the result of these negotiations depends the effect of the American loan to Britain on the exchange resources available to Australia.

SAVINGS BANKS. Deposits in savings banks in New South Wales rose even faster in the first post-war months than during the war. Demobilisation pay was partly responsible for the increase. In March and April, 1946, however, the movement received a marked check possibly owing to heavy withdrawals for consumption expenditure. This inference is supported by the sharp increase in retail sales in Sydney and the sudden increase in the note issue that took place at that time. In May deposits again rose, but by less than in the earlier post-war months.

Recent movements were:-

SAVINGS BANK DEPOSITS, NEW SOUTH WALES (£ million)

Monthly increase during -						
1945-		1946 -				
Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
+4.9	+4.8	+5.1	+4.0	+1.7	+ .5	+1.3

The total amount on deposit at the end of May was £232.2 million, compared with £192.9 million in May, 1945, and £86.1 million in May, 1939.

REAL ESTATE. Value of properties sold, as shown by transfer documents, was £15.9 million in the first five months of 1946, compared with £9.7 million in the same months of 1944 and £13.8 million in those months of 1939. Despite Treasury control of transfer prices, recorded value of business done substantially exceeds pre-war levels. For the three months ended March 1946, value of sales was £7.4 million - a monthly average of approximately £2.5 million, followed by a steep rise to £3.8 million in April and £4.7 million in May.

The value of real estate mortgages registered has increased much more slowly, indicating a substantial increase in the proportion of transactions effected without mortgage. Comparisons are:-

FIVE MONTHS ENDED MAY (£ millions)

	1939	1945	1946
Real estate sales	13.8	9.7	15.9
Mortgages registered	9.8	3.0	6.4

STOCK EXCHANGE. Increases in ceiling prices for a small range of shares led to a small increase in the index of share prices in May. The index which was 174 in August 1939 has risen from 186 to 223 in the last two years, after remaining fairly constant at about 180 during 1943. It is clear, however, that the rise would have been much greater had free trading been permitted.

INDEX OF SHARE PRICES - SYDNEY

Prices of Ordinary Shares (excl. Bank). Par value = 100.
(Compiled by N.S.W. Govt. Statistician).

Average for Month	Manufacturing and Distributing	Retail	Public Utilities	Pastoral and Finance	Insurance	Total 75 Companies	34 Active Shares
1937-Mar.	213.8	203.8	181.0	169.2	281.2	190.4	200.5
1939-Aug.	212.6	168.2	156.0	118.2	263.9	174.4	181.9
1941-Sept.	227.7	177.2	141.5	127.9	253.2	174.9	181.3
1942-Mar.	173.0	138.3	120.8	110.3	213.7	140.6	147.0
1945-May	242.2	207.2	170.5	148.4	264.6	195.7	210.0
-Aug.	242.3	207.3	170.3	146.8	264.6	195.6	209.9
1946-Mar.	267.3	227.6	184.0	157.2	292.6	213.5	230.3
Apr.	278.9	236.8	190.2	161.8	306.2	221.5	240.1
May	280.5	239.5	191.1	162.8	306.9	222.8	241.2

COMMONWEALTH ACCOUNTS. Following the publication of the accounts for the eleven months ended May, the Prime Minister announced that total revenue for the full year would probably exceed the estimate by £15 to £20 million, mainly owing to high receipts from customs and excise and sales tax. Non-war expenditure was expected to be approximately the same as the Budget estimate, but war expenditure to the end of May had already exceeded the estimate, mainly owing to acceleration of demobilisation, the Prime Minister said.

Sales by the Disposals Commission to the end of May totalled £45 million, and are expected to bring large receipts in the coming year. This item does not appear separately in the monthly Statement of Consolidated Revenue.

Reductions in income-tax operating from July 1st have been announced in general terms.

Accounts for the eleven months ended May were:-

COMMONWEALTH REVENUE AND EXPENDITURE

	Eleven months ended May 1945	1946	Change
	£ millions		
REVENUE			
Customs and Excise	61.6	70.9	+ 9.3
Income Tax	167.9	170.5	+ 2.6
Sales Tax	27.1	30.3	+ 3.2
Other Taxes	22.9	23.9	+ 1.0
Business Undertakings.	27.9	27.5	- 0.4
Other	5.9	6.2	+ 0.3
Total Revenue	313.3	329.3	+16.0
EXPENDITURE			
War (1939-45)	426.1	364.8	-61.3
Social Services	36.3	49.0x	+12.7
Payment to States	13.7	14.9	+ 1.2
Income Tax reimbursed to States	26.9	28.3	+ 1.4
Other	59.1	61.6	+ 2.5
Total Expenditure	562.1	518.8	-43.3
Expenditure from loan included above	248.8	182.6	-66.2
CHANGE IN SHORT-TERM DEBT POSITION			
Treasury bills less bank balances, Australia...	+ 9.3	+23.0	

x Includes £6.9 million met from balance in National Welfare Fund at 30th June, 1945.

NEW SOUTH WALES ACCOUNTS. Results for the full financial year show a surplus of £380,000. Details for the eleven months ended May are shown below. A small surplus appeared in this period. In

comparison with the same period of 1944-45, there was a rise in governmental expenditure of £1.1 million, which was covered by a similar rise in taxation from State sources and Commonwealth reimbursements. The deterioration of the position since last year was due to lower receipts from the railways, higher expenditure for tramways, and a decline in miscellaneous governmental receipts.

NEW SOUTH WALES GOVERNMENT ACCOUNTS.

REVENUE

Eleven months ended May

	1945	1946	Change
	(£ millions)		
From Commonwealth ∅	15.4	15.7	+ .3
State taxation	4.8	5.7	+ .9
Other governmental	6.9θ	6.3	- .6
Business undertakings[x]	36.8	36.5	- .3
	63.9θ	64.2	+ .3

EXPENDITURE

Eleven months ended May

	1945	1946	Change
	(£ millions)		
Net debt charges	14.1	14.1	-
Governmental	19.6[1]	20.7	+ 1.1
Business undertakings	28.4	28.9	+ .5
	62.1[1]	63.7	+ 1.6
Net surplus	1.8	.5	- 1.3

∅ Reimbursement of taxes and payments towards interest.
x Railways, Trams and Buses, Road Transport and Traffic Fund, and Sydney Harbour. Expenditure is exclusive of debt charges.
θ Excludes £3.25 million from business undertakings in redemption of Treasury Bills.
1 Excludes £3.84 million expended in redemption of Treasury bills.

RETAIL TRADE, SYDNEY. The value of retail sales in large Sydney stores in April was 47 per cent above that of the previous April. The value of stocks showed a further decline to a level 13 per cent below that of April 1945. Recent movements were:-

RETAIL TRADE - EXPERIENCE OF LARGE SYDNEY STORES.

Percentage increase + or decrease - on same month of previous year.

	1945 - Aug.	Nov.	Dec.	1946 - Jan.	Feb.	Mar.	Apr.
Value of Sales	+17	+41	+18	+25	+37	+48	+47
Value of Stocks	+12	+4	- 5	- 6	-10	-11	-13

The decrease in value of stocks of clothing and piece-goods over the year was 20 per cent. Stocks of other items, except furniture and fancy goods, have in general been maintained:-

CITY RETAIL STORES: MOVEMENT IN SALES AND STOCKS.

Percentage increase + or decrease - April 1945 to April 1946

Clothing and Piece-goods	Sales %	Stock %	Other	Sales %	Stock %
Dress-piece-goods	+41	-30	Furniture, proper	+69	-13
Women's wear	+42	-22	Soft furnishings	+51	+10
Men's and Boy's wear	+48	-19	Hardware	+72	+12
Boots and shoes	+53	-12	Miscellaneous	+39	- 4
Household piece-goods	+31	- 8	(inc. Fancy goods)	+57	-13
Total of above	+44	-20	Total, all classes	+47	-13

No direct comparison with pre-war levels can be made from these figures, but value of total sales in April would have been about 80 per cent higher than the level of April 1939, and of stocks about 30 per cent higher. In terms of volume, this would probably denote a slightly lower level for sales and a considerably lower level for stocks. A recent statement by the Minister for Trade and Customs gave official recognition of a trend in the clothing trade that has been developing for some time. The removal of certain controls on the manufacture of clothing and footwear has resulted in the introduction of many additional lines not subject to specific ceiling prices, and much scarce material and labour is going into these lines at the expense of more utilitarian articles. It is also possible that the level of prices for these new lines is rising above ceiling parity.

Preliminary figures for May reveal a continuation of the abovementioned trends in retail sales and stocks:-

City Retail Stores, May 1945 to May 1946.

Changes in	Sales %	Stock %
Clothing & piece-goods .	+46	-22
Total, all classes . .	+52	-13

PART III RURAL INDUSTRIES.

THE SEASON. Rainfall in June was greater than in May but still inadequate to prevent further deterioration of pastures which was accelerated in inland areas by frost. The pastoral position in the North-west slopes and plains has become more serious. In other pastoral regions conditions are better, but the central-west which received practically no rain in June is in urgent need of good falls to improve pastures for lambing. Drought hazards are increased by the critical shortage of trucks to move livestock.

In wheat districts there has been some anxiety as to the failure of follow-up rains after sowing, which were needed to assist germination. Southern districts received useful rain at the end of the month but more is needed.

Grass conditions are still good on the whole in coastal dairying districts. Except on the north coast, fair rain was received in June.

The rainfall index in recent months was as follows:-

RAINFALL INDEX, NEW SOUTH WALES.
Weighted average ratio of actual to normal rainfall.
Normal rainfall each month = 100.

Period	Dairying Districts	Sheep Districts					Wheat Districts			
		N.	C.	S.	W.	State	N.	C.	S.	State
1944 (year)	79	66	54	53	53	57	68	51	52	53
1945 (year)	109	99	101	86	77	93	95	100	84	89
1946 Jan.	77	153	100	166	236	151	130	110	184	158
Feb.	140	95	129	327	228	195	49	153	363	269
Mar.	160	66	76	105	43	79	48	76	113	95
Apr.	152	66	90	61	14	65	60	78	48	57
May	18	39	40	53	24	42	37	35	49	43
June	44	23	38	75	64	49	33	38	59	50

N: Northern. C: Central. S: Southern. W: Western.

WOOL. The minimum reserve price at which wool will be sold in Australia when auction-selling is resumed in September has been announced as an average of 18.15d per lb. (Australian currency). Any wool which does not reach this parity at auction will pass into the hands of the Joint Organisation at the reserve price. It was officially stated that the new minimum reserve price is that at which wool is now being sold ex - store. It is subject to a deduction of 5 per cent as a contribution to revenue of the Australian Wool Realisation Commission, including ½ per cent for research and publicity. With this charge deducted the net minimum reserve price will be about 17.24d on the average. This may be compared as follows with average prices received in earlier years:-

AVERAGE PRICE OF GREASY WOOL IN SYDNEY.
Season ended June -

	1926-29	1931-33	1936-38	1938	1939	1940-42	1943-46	1947
Pence (Aust) per lb.	17.2	8.5	14.3	12.7	10.3	13.4(a)	15.5(a)	17.2(b)

(a) Agreed price under British purchase contract; subject to addition of share of profit on resale.
(b) Minimum reserve price, exclusive of contributory charge.

The reaction of the Australian Woolgrowers' Council to the announced price has been favourable, except as to the provision for the 5 per cent contributory charge.

The operation of the minimum reserve price in regulating the disposal of accumulated wool stocks, much of which consist of lower grades, will be watched with especial interest. In this connection much importance will attach to the table of limits adopted for the application of the average minimum reserve price to the various grades of wool.

Prospects for next season's sales are considered good. Oversea demand is exceptionally strong. One doubtful factor is the availability of shipping, which may make buyers hesitate to purchase quantities in Australia which they may not be able to ship.

When auction selling is resumed, the subsidy to Australian manufacturers of woollen goods, in respect of wool used in output sold locally, which was introduced during the operation of the British contract scheme, will be continued in principle.

The total weight of wool appraised in Australia in the year ended 30th June was 867 million lb. or 2,866,000 bales. The amount realised, including equalisation payments, was £58,190,000. These were less than last year's low figures, as the depletion of sheep flocks due to the drought affected the 1945-46 clip as well as that of 1944-45, even though the season had improved. Comparisons with earlier years are given below:-

APPRAISEMENT OF WOOL, SYDNEY AND AUSTRALIA.

	Average, 3 years ended June 1942	Average, 2 years ended June, 1944	1944-45	1945-46
Wool appraised -				
In Sydney (thous. bales) (a)	1296	1086	939	921
In Australia(" ")	3578	3564	3123	2866
Amount realised(Aust) (£m)	63.1	73.7	62.6	58.2
Average value per lb.greasy(d)	13.4	15.4	15.4	15.4
No.of sheep at 31st March,previous year (Mill)	118	125	123	105

(a) Decline partly due to opening of appraisement centres outside Sydney.

WHEAT. Latest official estimate (made in February) of the Australian wheat crop for 1945-46 is 144 million bushels. Disposals in 1939 in comparison with the last three completed seasons were:-

AUSTRALIAN WHEAT, PRODUCTION AND DISPOSAL.
(in millions of bushels)

Season ended 30th November	1939	1943	1944	1945
Production	155	156	110	52
Exports	91	37	91	20
Domestic human consumption .	(43)	35	38	37)
Stock Feed	( )	20	41	44
Retained on farm, incl.seed .	14	13	16	17
Change in stocks	+ 7	+50	-76	-66
Total disposals . . .	155	156	110	52

The exportable surplus for 1946 has been variously forecast at 56 m. bushels and 60 m. bushels, but obviously this will depend on availability of trucks and ships, on quantities used for stock feed and on the extent to which local stocks are restored.

Government inquiries into the possibility of increasing the exportable surplus by reducing the size of the Australian loaf, were concluded last month with the announcement that Australia could supply all the wheat for which transport was available.

Rationing of bread and flour are to be introduced in the United Kingdom, on a scale estimated to save 500,000 tons of wheat a year. A proposal for a ten-year agreement between the United Kingdom and Canada for the purchase of wheat has been dropped after negotiation between the two countries.

The Commonwealth Government's stabilisation scheme is being considered by the House of Representatives. In introducing the Wheat Industry Stabilisation Bill the Minister for Commerce and Agriculture stated that the

average export return for the current year was estimated at 10s. a bushel. The growers' return for export wheat, under the scheme, would be 7s.10d. a bushel, bagged, and for home-consumed wheat, 5s.2d. bagged, making an average return of approximately 6s.7d. a bushel bagged, f.o.r., ports.

<u>DAIRYING</u>. Production of butter in New South Wales factories showed a further seasonal decline in May. It was approximately the same as the figure for May, 1945, well below the pre-war level.

N.S.W. PRODUCTION OF BUTTER IN FACTORIES.
(In thousands of tons).

	First six months	Jan.	Feb.	Mar.	Apr.	May	Eleven months ended May.
Average, three years ending 1939-40	24.2	5.5	5.3	5.[illegible]	4.5	3.7	48.3
Year 1944-45	15.7	3.6	3.0	3.7	2.6	2.0	30.5
Year 1945-46	16.1	3.6	3.6	3.8	2.8	2.0	31.9

The rate of pay to suppliers of cream to North Coast butter factories in May was the same as in April, viz. 19.00d per lb., including subsidy, but excluding deferred pay not yet determined.